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OFFICE OF THE SECRETARY

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August 18, 1993

BY HAND

Mr. William F. Caton  
Secretary  
Federal Communications Commission  
Room 222  
1919 M Street, N.W.  
Washington, D.C. 20554

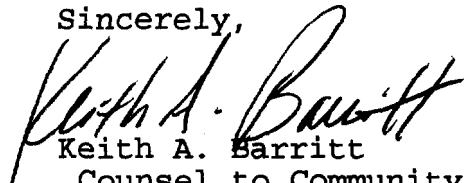
RE: Comments of Community Cablevision Company  
In the Matter of Amendment of Section 76.51 to Include  
Riverside in the Los Angeles Television Market  
MM Docket No. 93-207

Dear Mr. Caton:

Community Cablevision Company, by its attorneys, hereby  
files an original and nine copies of its comments in the above-  
referenced rulemaking proceeding.

Please let me know if there are any questions concerning  
this matter.

Sincerely,

  
Keith A. Barritt  
Counsel to Community  
Cablevision Company

Enclosures

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AUG 18 1993

Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

In the Matter of )  
 )  
Amendment of Section 76.51 )  
of the Commission's Rules )  
to Include Riverside, California )  
in the Los Angeles-San Bernadino- )  
Corona-Fontana, California )  
Television Market )

MM Docket No. 93-207

To: Chief, Mass Media Bureau

**COMMENTS OF COMMUNITY CABLEVISION COMPANY**

Pursuant to Section 1.415 of the Commission's rules, Community Cablevision Company ("CCC"),<sup>1/</sup> a California corporation doing business as Dimension Cable Services ("Dimension"),<sup>2/</sup> hereby files, by its attorneys, its comments in the above-referenced rulemaking proceeding. For the reasons noted below, Dimension strongly opposes the modification of Section 76.51 of the Commission's rules to include Riverside, California in the already sprawling Los Angeles-San Bernadino-Corona-Fontana hyphenated television market.

<sup>1/</sup> CCC is a wholly owned subsidiary of Times Mirror Cable Television of Orange County, Inc., a California corporation.

<sup>2/</sup> Dimension currently serves 42,292 customers in the cities of Newport Beach, Irvine, Tustin, and Orange, California, and the University of California, Irvine, and the Marine Corps Air Stations in Tustin and El Toro, all of which are located in Orange County and within 35 miles of at least one of the designated communities of the Los Angeles-San Bernadino-Corona-Fontana hyphenated television market.

On May 28, 1993, CCC filed with the Commission a Petition for Emergency Special Relief (Attachment 1 hereto) seeking to have a number of broadcast stations, including KRCA licensed to Riverside, California, excluded for must-carry purposes from certain communities in the Los Angeles area. As noted in that Petition, Riverside is in fact a distinct community with vastly different needs and interests from other areas of the Los Angeles television market. Including Riverside in the Los Angeles hyphenated market would only serve to make it easier for KRCA to obtain must-carry rights in distant communities by relieving it of its obligation to indemnify cable systems of the copyright liability that would otherwise be incurred as a result of its carriage.<sup>3/</sup> However, expanding the must-carry rights for a distant signal such as KRCA, which as far as CCC can determine does not broadcast any significant local programming, would be contrary to the concept of localism on which the must-carry rights established by Congress are based.

In addition, as explained in CCC's Petition, cable operators serving communities in the Los Angeles area face an already overwhelming burden in implementing the must-carry rules due to the large number of commercial and noncommercial broadcast stations that are potentially entitled to must-carry rights on their systems and the corresponding diminution of the operators' editorial discretion. Dimension, for example, has been forced to reduce to

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<sup>3/</sup> See 76.55(c)(2) (excluding from the definition of a "local" commercial television station a station which does not agree to indemnify a cable operator for increased copyright liability resulting from carriage of the station on the operator's system). See also Implementation of the Cable Television Consumer Protection and Competition Act of 1992, Broadcast Signal Carriage Issues, 8 FCC Rcd 2965, 2979, ¶ 54 (1993), clarified, 8 FCC Rcd 4142, further clarified, FCC 93-354 (rel. July 16, 1993) (noting Commission's belief that "Congress intended for [the] updated Section 76.51 list to be applied to assess copyright liability").

part-time carriage C-SPAN, the local origination channel, The Weather Channel, and VH-1 and to drop completely The Movie Channel and Continuous Hits 1 in order to carry additional broadcast stations in fulfillment of its must-carry obligations that its consumer survey indicates are less desired than the programming they replace. Making it easier for a distant signal such as KRCA to obtain must-carry rights on cable systems in the Los Angeles area would thus not only impinge upon cable operators' First Amendment rights,<sup>4/</sup> it would also further reduce the value subscribers place in the programming available over cable.<sup>5/</sup> Granting this petition would thus be contrary to the public interest by further diminishing both cable operators' editorial discretion and cable subscribers' satisfaction with the programming available on cable.

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<sup>4/</sup> See City of Los Angeles v. Preferred Communications, Inc., 476 U.S. 488, 494-95, 106 S. Ct. 2034, 2037-38 (1986); FCC v. Midwest Video, Corp., 440 U.S. 689, 707, 99 S. Ct. 1435, 1445 (1979).

<sup>5/</sup> According to CCC's recent consumer survey, 86% of its subscribers are "very or somewhat uninterested" in the programming available on KRCA. See Att. 1, Ex. A at 9.

**Conclusion**


For the reasons stated above and in CCC's Petition for Emergency Special Relief appended hereto as Attachment 1, Riverside should not be added to the Los Angeles-San Bernadino-Corona-Fontana hyphenated television market.

Respectfully submitted,

COMMUNITY CABLEVISION COMPANY,  
dba Dimension Cable Services

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August 18, 1993

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AUG 18 1993

Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

In re Petition of	)	
	)	
Community Cablevision Company,	)	
doing business as	)	
Dimension Cable Services	)	CSR No.
	)	
For Exemption from Must-Carry Rules	)	

To: Chief, Mass Media Bureau

**PETITION FOR EMERGENCY SPECIAL RELIEF**

Pursuant to Sections 76.7 and 76.59 of the Commission's rules, Community Cablevision Company ("CCC"),<sup>1/</sup> a California corporation doing business as Dimension Cable Services ("Dimension"), by its attorneys, hereby files this petition seeking emergency special relief from Section 76.56 of the Commission's must-carry rules as applied to Dimension's cable television systems in the Los Angeles ADI. Because the must-carry rules for which Dimension is requesting relief take effect on June 2, 1993, CCC respectfully requests immediate consideration and grant of this petition. At a minimum, temporary relief should be granted until the Commission has an opportunity for a final resolution of this matter, as CCC's Dimension systems will otherwise be forced to make channel lineup

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<sup>1/</sup> CCC is a wholly owned subsidiary of Times Mirror Cable Television of Orange County, Inc., a California corporation.

changes on June 2 that will be both costly and disruptive to viewers to undo in the event relief is ultimately granted.<sup>2/</sup>

**I. Application Of The FCC's Must-Carry Rules To Dimension In The Los Angeles Market Would Be Unduly Burdensome And Contrary To The Public Interest**

Dimension currently serves 42,292 customers in the cities of Newport Beach, Irvine, Tustin, and Orange, California, and the University of California, Irvine, and the Marine Corps Air Stations in Tustin and El Toro, all of which are located in Orange County in the southwestern portion of the Los Angeles Area of Dominant Influence. Dimension currently carries eight and one-half<sup>3/</sup> local commercial stations and two local noncommercial educational stations. Under the Commission's must-carry rules, on June 2, 1993, Dimension will be required to add four and one-half commercial broadcast signals and possibly up to three more noncommercial stations (out of a total of 38 activated channels). To make room

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<sup>2/</sup> CCC notes that yesterday the FCC denied a general stay of the must-carry rules, as requested by the National Cable Television Association, requiring CCC to file this petition for individualized relief. See In the Matter of Implementation of the Cable Television Consumer Protection and Competition Act of 1992, FCC 93-278 (rel. May 27, 1993).

In the short time since the promulgation of the FCC's must-carry rules, Dimension has performed technical tests and research to determine which broadcasters qualify for must-carry rights and conducted extensive consumer surveys to determine how to change its channel line-up with the least amount of disruption to subscribers. Until these studies were completed, it was impossible for Dimension to realize the truly severe impact that the must-carry rules will have on its system in the absence of the relief requested.

<sup>3/</sup> Dimension currently carries approximately one-half the programming of KWHY, and would be forced to carry the rest of the signal under Section 76.62(a) of the Commission's rules.

for these broadcast signals will cause the deletion or reduction of more popular national cable network programming covering both entertainment and news and public affairs, the core of speech protected by the First Amendment, as well as the reduction of community affairs information carried on the local origination channel, all to the dissatisfaction of the overwhelming majority of Dimension's subscribers.

By this petition, CCC therefore requests that its system be immediately exempted from Sections 76.56(a)(1)(iii) and 76.56(b)(2) of the Commission's rules governing the number of eligible broadcast stations that must be carried on the system. In the alternative, CCC asks for a limited waiver of the rules until it completes its system rebuild that is currently in progress, which should be completed by mid-1995. By then, CCC would have the capacity for a minimum of 60 channels, with network architecture utilizing extensive fiber optics. Approximately 6% of this rebuild is completed as of the date of this filing. As a third alternative, CCC requests that the communities served by Dimension be excluded for purposes of the must-carry rules from the television markets of the following stations (and for the noncommercial stations, that the stations be deemed nonlocal) that Dimension could be forced to add to its lineup if this petition is denied: KBBL, KEEF, KHIK, KLCS,

KMEX, KRCA, KRPA, KSCI, KSTV, KTVB, KVCR, KVEA, KVMD, KWHY, and KZKI.<sup>4/</sup>

To accommodate its new must-carry obligations, Dimension will be forced to delete two cable entertainment program services in their entirety (The Movie Channel and Continuous Hits 1, a pay-per-view service), and to reduce to part-time carriage a number of public-service oriented programs (the local origination channel, C-SPAN, and The Weather Channel), as well as other entertainment programming (VH-1). The reduction in programming of Dimension's local origination channel will reduce the availability to subscribers of a unique outlet for local community affairs information. The reduction of C-SPAN programming will reduce subscribers' access to widely acclaimed coverage of national news, public affairs, as well as the activities of Congress, that is not available on other television channels. And The Weather Channel provides up-to-the-minute warnings of threatening local weather conditions and travel advisories that will be missed. It would truly

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<sup>4/</sup> The majority of these stations are licensed to markets outside of Orange County, casting doubt on their commitment to provide local programming of interest to Dimension's subscribers. KVMD has a construction permit for Twentynine Palms, approximately 100 miles from the nearest community served by Dimension; KHIZ is licensed to Barstow, 90 miles away; KSTV is licensed to Ventura, 90 miles away; KBBL has a construction permit for Big Bear, 60 miles away; KSCI, KVCR, and KZKI are licensed to San Bernadino, 35 miles away; KRCA is licensed to Riverside, 30 miles away; KRPA has a construction permit for Rancho Palos Verdes, 25 miles away; and KVEA is licensed to Corona, 15 miles away. Even those stations that are relatively close to areas served by Dimension are located in communities that in fact have problems and needs distinct from those of Orange County residents, and there is little, if any, sense of identification between Orange County and these outlying communities.

be perverse if the must-carry rules were allowed to deprive subscribers access to such informative and unique programming of local interest and concern in order to provide capacity for additional broadcast signals, when Dimension is already providing ten and a half local broadcast signals on its 38 channel system.<sup>2/</sup>

Dimension has recently conducted consumer surveys in the cable market affected designed to measure the desirability to its subscribers of the four and one-half signals (KMEX, KSCI, KTBN, KVEA, and KWHY) that it currently plans to add to fulfill its must-carry obligations as of June 2 if this petition is not granted. Its research, the results of which are attached hereto as Exhibit A,<sup>6/</sup> shows very low interest in these signals, especially in comparison with the cable programming that they would displace (see pages 9-10 of Exhibit A).<sup>7/</sup> Nor does any of Dimension's research suggest that the signals of any of the other stations are desired by any significant number of its subscribers. To Dimension's knowledge, none of these stations currently have sizable off-air viewership within the communities served by Dimension, nor are any "significantly viewed" as defined by the FCC, nor have they historically been carried on Dimension's cable system.

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<sup>2/</sup> In addition, the deletion or reduction of such cable programming may put Dimension at risk of allegations of breach of its carriage contracts with these services.

<sup>6/</sup> Copies of the survey materials provided to subscribers are attached to the summary of results.

<sup>7/</sup> Of these must-carry stations, KTBN provides fundamentalist Christian programming 24 hours a day. The remaining stations all broadcast exclusively in Spanish and other foreign languages, except for one-half of KWHY devoted to business information.

Moreover, in addition to the local programming available on the eight and one-half local commercial broadcast stations and two local noncommercial educational stations Dimension is currently carrying, Dimension offers additional local programming. This includes: (1) Orange County News, a 24 hour-a-day cable channel which provides coverage of stories of local interest; (2) 24/54:, a joint venture between KCAL, the Orange County Edition of The Los Angeles Times, and most local Orange County cable operators that provides five minute inserts of news of local interest to Orange County residents during CNN Headline News; and (3) local origination programming such as live coverage of the City Council meetings of Irvine, Newport Beach, and Tustin, and local community events, local election night coverage, and local sporting events such as University of California, Irvine basketball games. Thus there is ample opportunity for subscribers to have access to a very wide variety of local programming. It makes little sense to require Dimension to drop more popular cable programming, including programming that provides important national news and public affairs coverage, in order to carry additional stations within the ADI when issues of concern to the local communities are already being well served by the broadcast stations and the cable programming already carried.

Rather than force Dimension to carry additional broadcast signals that do not significantly add to the mix of local programming available and for which subscribers do not have a preference, the Commission should instead grant Dimension the relief requested. Such a ruling will help to further the goals of Congress in passing the 1992 Cable Act of

"promot[ing] the availability to the public of a diversity of views and information through cable television . . . [and] rely[ing] on the marketplace, to the maximum extent feasible, to achieve that availability" and "ensur[ing] that cable operators continue to expand . . . the programs offered over their cable systems."<sup>8/</sup> Grant of the petition will also help to assure Dimension's subscribers have access to a wide diversity of national and community public affairs programming and information, which contribute to the development of an informed electorate.

## **II. The First Amendment Requires Grant Of This Petition**

Where the application of the Commission's must-carry rules would not substantially further the intent of Congress in requiring the reimplementation of must-carry rules to further the availability of local programming to the public<sup>9/</sup>, the Commission should not hesitate to uphold a cable operator's First Amendment freedoms<sup>10/</sup> to select which programming it chooses to offer to satisfy the demands of its subscribers. In fact, the FCC is obligated to uphold the Constitution in applying its rules.<sup>11/</sup>

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<sup>8/</sup> Cable Television Consumer Protection and Competition Act of 1992, Pub. L. No. 102-385, § 2(b), 106 Stat. 1460, 1463 (1992) ("1992 Cable Act").

<sup>9/</sup> 1992 Cable Act, § 2(a)(9)-(11).

<sup>10/</sup> See City of Los Angeles v. Preferred Communications, Inc., 476 U.S. 488, 494-95, 106 S. Ct. 2034, 2037-38 (1986); FCC v. Midwest Video, 440 U.S. 689, 707, 99 S. Ct. 1435, 1445 (1979).

<sup>11/</sup> Meredith Corp. v. FCC, 809 F.2d 863, 873-74 (D.C. Cir. 1967).

Because carriage of the broadcast stations in question on Dimension's system would not further the goal of increasing programming of truly local concern and interest to the vast majority of Dimension's audience, and will reduce the amount of national news and public affairs programming and local community affairs and weather information available to Dimension's subscribers, there is no reason to interfere with Dimension's First Amendment rights by requiring Dimension to carry the speech of these must-carry stations. In the absence of a compelling, or even a substantial, state interest in limiting Dimension's speech, there can be no justification for applying the must-carry rules here.

Furthermore, the must-carry obligations of cable systems located in large television markets such as the Los Angeles ADI are particularly onerous, especially for systems such as Dimension with channel capacities just barely over the 37 channel threshold requiring carriage of all nonduplicative noncommercial stations that request carriage.<sup>12/</sup> The Los Angeles ADI contains 21 commercial broadcast stations and five noncommercial educational stations.<sup>13/</sup> In Dimension's case, in addition to the two noncommercial stations it presently carries, it would potentially be required to carry three more noncommercial stations. The must-carry rules also require Dimension to set aside 13 channels for the carriage of qualified commercial stations, bringing the total number of stations Dimension could be required to carry to 18, before it even has the opportunity to exercise any editorial discretion to decide

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<sup>12/</sup> 47 U.S.C. § 615(b)(1).

<sup>13/</sup> 1992 Broadcasting Yearbook.

how to best serve the needs and desires of its subscribers. Without the relief sought herein, Dimension will be potentially deprived of nearly 50% of its channel capacity, and much more than one-half of its capacity when its leased access and public, educational, and governmental access requirements are considered. As applied to this case, the must-carry rules clearly inhibit the exercise by Dimension of editorial discretion consistent with its status as a First Amendment-protected speaker.

For the foregoing reasons, CCC requests (1) that its cable system in the Los Angeles ADI be exempted from the rules governing the number of eligible broadcast stations that must be carried on the system, at least until CCC completes its rebuild, and should not be required to carry any more local commercial or noncommercial stations than the system is currently carrying, or (2) that the communities served by Dimension be excluded for purposes of the must-carry rules from the markets of the commercial stations that Dimension would otherwise potentially be required to carry, and that the noncommercial stations Dimension would otherwise potentially be required to carry be deemed nonlocal as to the those communities.

Respectfully submitted,

COMMUNITY CABLEVISION COMPANY,  
dba Dimension Cable Services

By



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May 28, 1993

D16552.1

EXHIBIT A

**IRVINE/NEWPORT BEACH/TUSTIN**

**1992 CABLE ACT**

**CONSUMER RESEARCH**

**TIMES MIRROR CABLE TELEVISION, INC.**

## **INTRODUCTION:**

In light of the "must carry" provisions of the 1992 Cable Act, Times Mirror Cable Television, Inc. (TMCT) was faced with adding four independent broadcast signals full time and converting a fifth from part time carriage to full time carriage in its 42,000 customer Irvine/Newport Beach/Tustin system. The situation was further complicated by a technological constraint insofar as the system had no available channel positions. Thus, management was faced with having to drop or reduce carriage of cable product.

In order to aid the decision-making process, TMCT embarked on a three-phase consumer research project. Below is a brief overview of each project phase:

- **Phase I - Random sample telephone study (300 completed interviews) exploring customers' opinions regarding how disruptive it would be to them if specific cable channels were either dropped or reduced to part time carriage.**
- **Phase II - A short survey was mailed to all customers. The questions were similar to Phase I (the results of Phase I were incorporated into the design of Phase II). This phase of the research plan allowed all customers to "vote" on the future configuration of the programming line-up.**
- **Phase III - A second random sample telephone study was conducted (400 completed interviews) to validate Phase I and II as well as gather opinions on the broadcast channels to be added, and determine the impact on cable satisfaction and retention if those stations were added at the expense of cable product.**

## **CONCLUSIONS:**

- The data from all three research projects suggest that the deletion of cable product is not favored by customers in the franchise area.
- Customers are not interested in stations which qualify for must carry status under the provisions of the 1992 Cable Act .
- The addition of must carry stations at the expense of cable product will lower current levels of satisfaction with cable and will cause a substantial percentage of the customer base to consider disconnecting.
- The majority of cable customers would rather keep the current line up rather than adding stations which qualify for must carry status.

The next sections of this report detail the methodology and findings for each phase of the consumer research.

## **PHASE I - TELEPHONE SURVEY**

### **Methodology:**

- Survey instrument was designed by TMCT's market research director and ASI Market Research, Inc. Administration was conducted by ASI Market Research, Inc.
- Random sample survey conducted among 300 cable customers.
- Surveys were conducted via telephone on April 22, 1993 and April 23, 1993.
- Respondents 12 years of age or older were included in the sample to eliminate any age bias toward programming.
- Although quotas were not established for service level (basic only versus premium subscribers), the incidence rate was monitored. The outcome is fairly representative of actual penetration of premium services.

### **Questionnaire:**

- Respondents were read a list of fifteen cable channels (in a rotated order) and asked if they had ever watched each one.
- The same list was polled for the number of times each channel was watched in a one week time period.
- As follow up, respondents were asked which three channels discussed would cause the least disruption if removed to make room for broadcast signals.
- A copy of the questionnaire can be found in Appendix A.

## Phase I Research (continued)

### Findings:

- The following table recaps the findings:

	Channels Ever Watch	Number Times Watch/Wk	Cause Least Disruption If Replaced
CNN Headline News	81%	3.45	8%
WTBS	75%	2.39	15%
WGN	71%	2.19	20%
Discovery	70%	3.12	8%
OCN	67%	3.05	23%
A & E	61%	2.67	14%
Lifetime	55%	2.30	11%
VH-1	49%	3.03	16%
MTV	48%	3.28	24%
C-SPAN	46%	2.36	20%
The Family Chl	46%	2.37	21%
The Weather Chl	42%	2.42	21%
AMC	32%	2.63	19%
CNBC	25%	1.95	17%
Bravo	17%	2.10	27%

- The data indicates that the majority of channels polled receive average and above average viewership. The exceptions to this are The Weather Channel, AMC, CNBC and Bravo which received low viewership. Concerning these findings, it must be noted that until March, 1993, AMC and Bravo were premium services and not available to the entire universe. In that sense, these two services generated fairly positive scores with customers tuning in to watch over two times per week.
- A review of this data suggests that OCN, Bravo, or MTV could be removed or reduced to part time carriage without materially effecting the customer base.

## **PHASE II - MAIL SURVEY**

### **Methodology:**

- A letter explaining the Must Carry provisions of the Cable Act was mailed to all customers in the system along with a survey.
- The letter and survey were designed by TMCT. Tabulation of the surveys was conducted by Analytical Computer Services, Inc.
- Letters and surveys were mailed First Class to customers on Monday, May 3, 1993. The postage paid surveys had to be postmarked by Monday, May 10, to be tabulated. TMCT's cut off date was Wednesday, May 12, 1993 to allow for mail time. At the time of processing, 10,137 usable surveys had been received. Following the cut off date an additional 1,792 surveys were returned, for a total of 11,929. This translates to a 28% response rate. Normal response rates for mail surveys which are not associated with a respondent incentive (e.g., receiving money for filling out and returning the questionnaire) tend to be in the 10% to 25% range<sup>1</sup>. This indicates customers feel very strongly about the issue being explored.

### **Questionnaire:**

- The survey asked customers to rank order eight programming services that would cause the least disruption to their household if they were removed or reduced to part time carriage. Customers were provided with a list of fourteen services along with access to write in a service not listed. The list of fourteen basic and premium services was fine tuned based on the results from the Phase I research.
- A section of the survey was allotted for respondents to write in any additional comments.
- The returned surveys have been retained.
- A copy of the questionnaire can be found in Appendix B.

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<sup>1</sup> Dr. Mark Baldassare, Professor of Social Ecology, University of California, Irvine; Program Director, Orange County Annual Survey.

## Phase II - Mail Survey (continued)

### Findings:

- The following table recaps the findings:

**PROGRAMMING SERVICES THAT WOULD CAUSE LEAST  
DISRUPTION IF REPLACED/SHARED WITH ANOTHER SERVICE  
(CHANNELS RANKED "1" = LEAST DISRUPTIVE)**

	Ranked 1 - 4	Ranked 5 - 8	Not Ranked
Continuous Hits	54%	23%	21%
MTV	40%	21%	37%
Bravo	39%	28%	31%
The Weather Chl	38%	24%	36%
VH-1	35%	24%	39%
CNBC	34%	32%	33%
The Movie Chl	31%	31%	36%
C-SPAN	27%	30%	41%
Cinemax	26%	25%	47%
The Family Chl	23%	24%	51%
AMC	21%	23%	54%
WGN	15%	23%	60%
OCN	13%	15%	71%
TBS	9%	12%	78%

- The data from the mail survey is similar in some respects, but different in others, compared to the results noted in the Phase I study. This is not surprising due to the different methodology and self-selected, rather than random, nature of responses to mail surveys.
- This data suggests that Continuous Hits (pay-per-view), MTV, The Weather Channel, VH-1 and Bravo would least effect the customer base if dropped.

## **Phase II - Mail Survey (continued)**

- When examining this data, it should be kept in mind that this is less scientific data in comparison to the quantitative telephone survey data. This is due to a number of issues:
  - Response to mail surveys tend to come from respondents who feel strongly (positively or negatively) toward the issue being explored and not a statistically valid cross-section of customers.
  - The letters were mailed to the billing addressee. Therefore, it is likely the views captured by this data are only heads of household and not a representative sample of all viewers.
- Customers had the option to write in additional comments regarding cable. A sample of surveys were tallied to obtain a qualitative assessment of the prevalent responses. A total of 600 surveys were analyzed. The following recaps the major findings:
  - Roughly 25% of the customers who returned a survey included commentary in the additional comments section.
  - Requests for additional cable product were mentioned by 25% of those writing in additional comments (i.e., The Nashville Network, Sci Fi).
  - A sizable percentage of the additional comments, 40%, were requests that specific cable product not be dropped (i.e., WTBS, WGN, AMC, The Family Channel).

The "Additional Comments" should be viewed in a directional sense since they are not a statistically valid representation of the customer base. However, these percentages suggest that there is strong interest in cable product with respect to maintaining current options as well as providing additional, specific cable product.

### **PHASE III - TELEPHONE SURVEY**

#### **Methodology:**

- Survey instrument was designed by TMCT's market research director and ASI Market Research, Inc. Administration was conducted by ASI Market Research, Inc.
- Random sample survey conducted among 400 cable customers.
- Surveys were conducted via telephone from May 7 to May 11, 1993.
- Respondents 15 years of age or older were included in the sample to minimize age bias toward programming.
- Although quotas were not established for service level (basic only versus premium subscribers), the incidence rate was monitored. The outcome is fairly representative of actual penetration.

#### **Questionnaire:**

- The objective of this research was to validate, in a statistically predictable fashion, the results obtained in the mail study with a representative sample of customers in the franchise area.
- Respondents were read programming descriptions of the six possible "must carry" additions (KSCI, KMEX, KTBN, KVEA, KLCS and KRCA) and asked to rate how interested they were based on a five point interest scale. The programming descriptions were based on positioning statements the stations had provided the cable system General Manager. The list of services were rotated for each respondent.
- Respondents were then read a brief programming description of fourteen basic cable and premium channels (same list tested in Phase II) and asked to rate their interest on the same five point scale.
- The "must carry" provisions of The Cable Act were explained to respondents. They were asked to assume that six of the cable channels they rated as of most interest to them were replaced by the

### **Phase III - Telephone Survey (continued)**

broadcast stations previously discussed. Reactions to this situation were measured by asking:

- Intentions to disconnect cable (based on a 10 point scale)
- How the change affected their impressions on the level of satisfaction provided by cable
- If they had a choice, whether they would keep their line up as it is currently or make the changes contemplated
- The same series of questions was asked but substituting the six most appealing channels with the six cable channels the respondent was least interested in. These two series of questions (most interested versus least interested) were rotated to eliminate order bias.
- A copy of the questionnaire can be found in Appendix C.

#### **Findings:**

- The following tables recap the findings:

#### **INTEREST IN "MUST CARRY" SIGNALS (BASED ON A FIVE POINT SCALE)**

	<b>Very/Somewhat Interested</b>	<b>Very/Somewhat Uninterested</b>
<b>KLCS LA School District</b>	<b>26%</b>	<b>74%</b>
<b>KSCI San Bernadino</b>	<b>16%</b>	<b>81%</b>
<b>KTBN Santa Ana</b>	<b>15%</b>	<b>85%</b>
<b>KMEX LA</b>	<b>13%</b>	<b>86%</b>
<b>KRCA Riverside</b>	<b>12%</b>	<b>86%</b>
<b>KVEA Corona</b>	<b>12%</b>	<b>87%</b>

- Based on the above data, there is minimal interest in the programming available on the six stations eligible for must carry status in the Irvine/Newport Beach system. In fact, the majority (seven to nine people out of ten) state they are "Very" or "Somewhat uninterested" in each channel tested.